

Kentucky Home Energy Rebates Program Overview

Kentucky Energy and Environmental Cabinet, Office of Energy Policy

Agenda



- **Welcome and Introductions to the Office of Energy Policy (OEP), a division of the Energy and Environment Cabinet (EEC)**
- **Overview of the Home Rebates Program**
 - Team Kentucky Alignment
 - Key Principles in Kentucky's Program Design Approach
 - **KY Home Efficiency Rebate (HER) Program**
 - **KY Home Electrification and Appliance Rebate (HEAR) Program**
- **Program Design and Implementation***
 - Planning Phase
 - DOE Plan Review and Approval
 - Program Process
 - Continuing Evaluation
- **Timeline and Next Steps**
- **Questions**

** Must go through the DOE review process.*

Introduction and Roles



Kentucky Energy and Environment Cabinet, Office of Energy Policy

- Committed to creating efficient and sustainable energy strategies to improve the quality of life and ensure energy security for all Kentuckians.
- Administers programs and connects Kentuckians to energy-related programs and initiatives that promote secure, affordable energy resources and a stronger economy.



HORNE

- Serves as program implementer for KY Home Energy Rebates Program
- Provides start to finish administration and oversight of the program for Kentucky residents
- Consumer outreach and education and marketing efforts to recruit program participants
- Workforce Development & Contractor network management

Team Kentucky Alignment

The successful design and implementation of the Inflation Reduction Act Home Energy Rebate Program in Kentucky will:

- Create jobs and economic development through energy efficiency and contractor training programs.
- Improve Kentucky's housing infrastructure and quality of life by reducing energy burden for our most vulnerable citizens.
- Rebuild more energy efficient post-disaster housing.
- Create more resilient communities through housing improvements.

Key Principles in KY's Program Design Approach

1. Do no harm by ensuring energy burden is decreased and program design meets the needs of the Commonwealth first.
2. Design to ensure the low-income customer experience does not create additional burdens by safeguarding consumer protection and creating easy program navigation and access.
3. Prioritize customer service and response.
4. Honor Kentucky's position as a fuel choice state.
5. Design for compliance with DOE requirements.
6. Ensure transparency and accessibility.

KY Home Energy Rebates Program

Overview

\$8.8 billion in DOE Home Energy Rebates program via Inflation Reduction Act (IRA)

The Inflation Reduction Act authorized two funding streams for home energy rebate programs:

- Section 50121 established the Home Efficiency Rebate Program (HER)
 - Also referred to as “HOMES” – “Home Owner Managing Energy Savings”
 - Involves retrofitting homes to enhance energy efficiency.
- Section 50122 established the Home Electrification and Appliance Rebate Program (HEAR)
 - Encourages the adoption of allowable appliances that consume less energy and are more cost-effective over time.
- HER and HEAR Rebates may not be combined for the same, single upgrade, and rebates must not exceed the total project cost.
- The IRA initiative aims to increase energy efficiency and reduce energy costs in the residential sector.
- Not all DOE-recommended measures will be available in the KY rebate program.

KY Home Energy Rebates Program



Overview

	Home Efficiency Rebates Allocation (50121)	Home Electrification & Appliance Rebates Allocation (50122)	Total Home Energy Rebates Allocation (50121 & 50122)
Kentucky's Allocation	\$67,186,688.00	\$66,927,750.00	\$134,114,438.00*

*DOE will hold back 2% of allocation for agency admin, so final funds received will be closer to \$130M

Eligible Properties

Single Family	A building that contains at least one but not more than two dwelling units that have independent mechanical systems (e.g., heating, cooling, water heating, and ventilation) for each dwelling unit – including manufactured and mobile homes.
Multifamily	Single building containing at least two dwelling units used for residential purposes.

KY Home Energy Rebates Program Timeline

STEP 1



Stakeholder Engagement & Application Development

The Kentucky Energy and Environment Cabinet (EEC) gathers feedback from the public and other stakeholders to inform development of the required DOE plans and application.

STEP 2



Application & Plan Submission

The final plan is submitted to the U.S. Department of Energy (DOE) for review and approval.

STEP 3



Application & Plan Approval

The DOE informs of application and plan approval.

STEP 4



DOE Funds Received

The DOE transfers funds to EEC to support rebate distribution to eligible households.

STEP 5



Rebate Requests Portal Opens

The application portal will be available for households to apply for home energy rebates following DOE approval and receipt of funds.

Home Energy Rebate Amounts

DOE Guidance - Home Efficiency Rebate (HER) Income Eligibility & Costs Covered

IRA Provision Number	Type of Home Energy Project	Maximum Allowed Rebate Amount Per Household Low Income: < 80% AMI	Maximum Allowed Rebate Amount Per Household Above Moderate Income: > 80% AMI
Section 50121	Project with at least 20% predicted energy savings	80% of project costs, up to \$4,000 (whichever is less)	50% of project costs, up to \$2,000 Maximum of \$200,000 for a multifamily building
Section 50121	Project with at least 35% predicted energy savings	80% of project costs, up to \$8,000 (whichever is less)	50% of project costs, up to \$4,000 . Maximum of \$400,000 for a multifamily building

All households are potentially eligible, with the largest rebates going to those with lower incomes.

Home Energy Rebate Amounts

DOE Guidance - Home Electrification and Appliance Rebate (HEAR) Income Eligibility & Costs Covered

IRA Provision Number	Type of Home Energy Project	Maximum Allowed Rebate Amount Per Household Low Income: < 80% AMI	Maximum Allowed Rebate Amount Per Household Above Moderate Income: 80% - 150% AMI
Section 50122	HEAR Project Qualified Technologies	Covers up to 100% of project costs. Provides households with up to \$14,000 in rebates.	Provides households with up to \$14,000 in rebates. Covers up to 50% of costs for moderate-income families.

NG/Propane Rebates Design Eligibility by Program

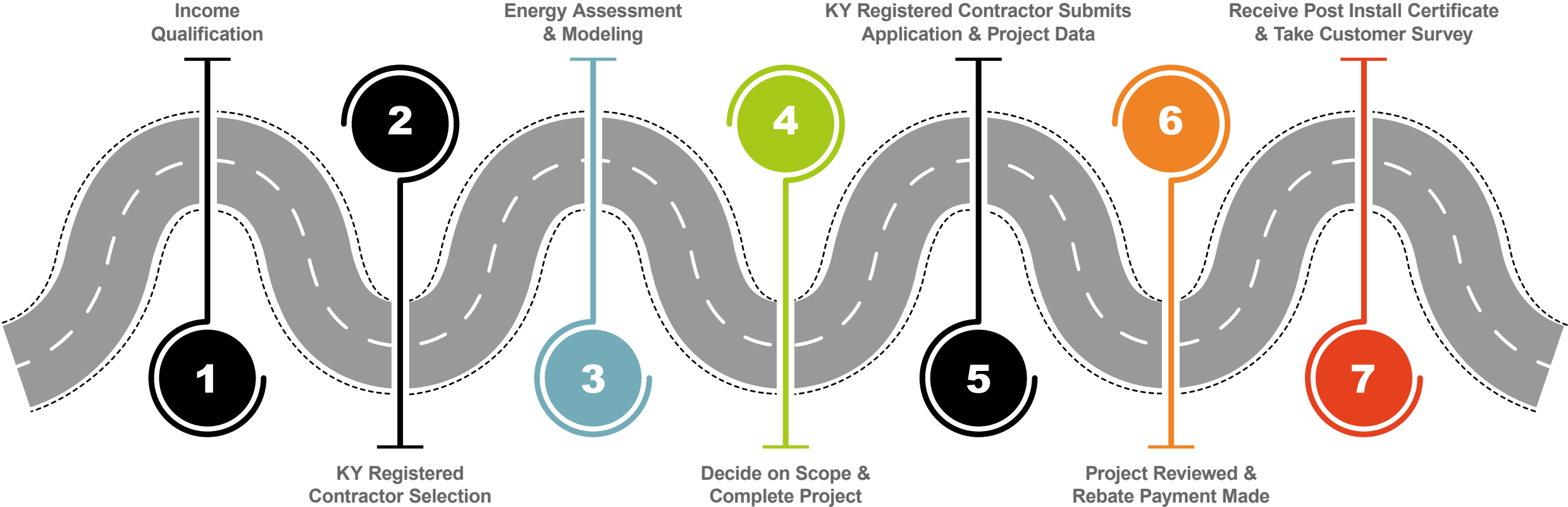
Measures	50121 (HER)	50122 (HEAR)
High Efficiency Natural Gas Appliances (Hot Water, Furnace, Boiler Upgrades)	Rebate eligible provided modeled savings of all measures meets 20% total energy savings or higher	Not rebated
HPWH, Induction Range, Heat Pump Clothes Dryer	"	Program will not rebate the replacement of a gas appliance
Insulation and Air Sealing	"	Allowed regardless of primary heating fuel
Heat Pump for Space Cooling	"	Allowed in hybrid and dual fuel configuration Installation and space cooling for health and safety

- **Efficiency improvements in existing gas appliances will be eligible for rebates under the 50121 Program modeled approach.**
- **Replacement of existing gas equipment with electric equipment will not be rebated under the 50122 Program.**
- **These design objectives are currently in review with DOE.**

KY Home Energy Rebates Program



Customer Journey



KY Home Energy Rebates Program



Customer Journey

- Kentucky residents will be able to apply to the program through an easy-to-use online customer portal.
- Kentucky trade allies and contractors will be able to apply to be a part of the KY Home Energy Rebates Program Registered Contractor network.
- Kentucky trade allies and contractors will be able to refer their customers to apply to the KY Home Energy Rebates Program.
- Stacking and/or Braiding of rebates with state and utility programs
 - Rebates cannot be combined with other federal grant funding for the same upgrade or measure.
 - The Program will focus on coordinating the KY Home Energy Rebates with existing state and utility weatherization programs, particularly for low-income households, to create a more comprehensive retrofit package.

Income Qualification & Documentation Requirements

Categorical Eligibility – Documentation of Participation in Kentucky Based Programs Below



Kentucky Weatherization Assistance Program (WAP)



Kentucky Low Income Energy Assistance Program (LIHEAP)



Medicaid



Supplemental Nutrition Assistance Program (SNAP)



National School Lunch Program – Free (NSLP)



Head Start



Lifeline Support for Affordable Communications (Lifeline)



Housing Improvement Program (HIP)



Food Distribution Program on Indian Reservations (FDPIR)



Supplemental Security Income (SSI)



Privately owned multifamily buildings receiving project-based assistance (Section 8, Section 202, Section 811)



Public Housing (housing owned and operated by Public Housing Authorities)



Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)

Identify Scope and Complete Project

Through the Home Energy Assessment, the Qualified Contractor **identifies scope of work and provides project quote** to the customer

Customer makes decision to move forward with identified upgrades

Qualified **contractor completes the project and submits application** and project data to program

All **energy efficiency measures and upgrades** must be installed by program qualified contractors

Quality Assurance (QA) and customer satisfaction processes

Program Targets:

- Low-income single-family households and mobile homes
- Prioritize weatherization upgrades across all housing units

KY Home Energy Rebates Program

Collaboration with KY Gas Utility Companies

Engagement Benefits:

- Enhanced Customer Engagement
- Data Collection and Insights
- Energy Efficiency Goals
- Improved Housing Quality & Comfort of Housing Units
- Energy Cost Savings for KY Residents

KY Home Energy Rebates Program

Collaboration with the KY Gas Utility Companies

Call To Action:

- Partnership with the KY Home Energy Rebates Program
- Utility Bill Data Sharing
- Maximizing Energy Efficiency Goals for Households
- Application Assistance: Many residents, especially those in low-income or disadvantaged communities, may need help navigating the application process. Refer residents to the KY Home Energy Rebates Program to obtain one-on-one assistance to ensure eligible households can access the rebates.
- Feedback: Provide feedback and recommendations to maximize Program participation.

KY Home Energy Rebates Program

Impact

Goals and Benefits of the Program

- Maximize number of households served saving money on energy.
- Scaling access to and demand for energy efficient upgrades.
- Ensuring access to capital and support for low- and middle-income households.
- Cost Savings and Affordability.
- Enhance Quality of Life.
- Workforce Development.

Justice 40 Initiative

Purpose:

Aims to ensure that 40% of the overall benefits of relevant federal investments flow to disadvantaged communities (DACs).

Overview of Key Priorities:

- Decreasing the energy and environmental burdens on DACs while increasing their access to clean energy and decision-making processes.
- Increase clean energy jobs, job pipeline, and job training for individuals in DACs.

KY Home Energy Rebates Program

Design Phase

- **Program Design and Implementation**
 - Planning Phase
 - Team Kentucky Alignment
 - DOE Plan Review and Approval
 - Continuing Evaluation and Feedback
- **KY Home Energy Rebates Program Website – Coming Soon!**
 - **Energyrebates.ky.gov**
 - Frequently Asked Questions (FAQs)
 - Program Timeline
 - Email signup for Program updates
- **Continued Stakeholder Engagement**



Questions?

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